

FISCAL NOTE

HB 1719 - SB 1901

March 7, 2003

SUMMARY OF BILL:

- Deletes TCA45-13-103(c)(4) which removes the exemption from licensing, persons who receive a mortgage, deed of trust, or other security instrument on real property for an obligation arising out of materials furnished or services rendered for improvements on such property.
- Adds language, which prohibits a home improvement contractor from engaging in the business of making mortgage loans or being a mortgage loan broker in this state.
- Provides that a home improvement contractor shall not have a controlling interest in a lender providing a mortgage loan for the work being performed by the contractor.
- Prohibits a lender from making payments to a home improvement contractor under a home improvement contract unless the instrument is payable to the borrower and contractor jointly or at the election of the borrower by a third party escrow agent.
- Defines mortgage loan for home improvement as a consumer credit mortgage loan transaction involving property located within this state for which the original principal balance is less than \$100,000.

ESTIMATED FISCAL IMPACT:

MINIMAL

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 1719 - SB 1901